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Livestock Feeding in Yugoslavia and Poland

EC's Mediterranean Policy

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This week's cover:

Gathering grapes destined for one of the famous old wines of Cyprus. In most other Mediterranean countries also, wine is a main agricultural export. The newly enlarged EC is working out a new policy on Mediterranean trade preferences, which it is believed will include substantial concessions on Mediterranean agricultural products. See story beginning page 5.

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Arkansas Soybean Champion Billy Haller takes a look at Yugoslav broilers—into whose feed go increasing amounts of U.S. soybean meal. Top right, cattle graze on a State farm in Poland.

Yugoslav, Polish Interest in Livestock Feeding Offers Potential For U.S. Feedstuff Exports

YUGOSLAVIA AND POLAND, which are normally among top East European importers of U.S. feedstuffs, promise to become even larger markets if current efforts to expand livestock and poultry feeding progress satisfactorily. Both U.S. corn and soybeans might benefit from such growth, which hinges on such factors as retaining enough calves for feedlots, overcoming traditional bias against feeding certain products or combinations, and—for Poland—turning extensive experimental work into practical and profitable ventures.

Yugoslavia and Poland have in common large and well-established export markets for their pork, beef, and live animals, as well as relatively low levels of per capita meat consumption—forces which should give impetus to further livestock expansion. However, Yugoslavia's feeding operations are much more advanced than those in Poland, whose sophisticated research is far ahead of practical application. Both countries already must obtain large amounts of imported products for feeding purposes, despite Yugoslavia's traditionally large corn production and Poland's long-standing dependence on potatoes for feed.

A look at the livestock and feed situation in each country follows.

Yugoslavia. An allout effort to expand and further modernize the livestock industry augurs well for larger sales of U.S. soybean meal, corn, and possibly Holstein breeding stock to this important East European market.

Currently, the greatest opportunity appears to lie with the poultry and hog industries. However, the future potential is good for use by the beef industry, now the focal point of Government efforts to expand meat production for export. This emphasis on exports comes in spite of low levels of meat consumption at home—19.9 pounds of beef per capita, 29.8 of pork, and 15.2 of poultry meat.

In line with the export emphasis is a growing interest in feedlot operations—an endeavor that has been retarded, however, by a lack of calves for feeding. To remedy this problem, the Government early in 1972 banned exports of calves, allowing only exports of cattle for slaughter. Slaughter of calves below 330 pounds also has been banned, but apparently there is not much enforcement on private farms.

Despite the lack of cattle for feeding, Yugoslavia can boast of having some of the best beef-feeding operations in Europe. These are on the state-run Kombinats, which benefit from the

advice and service of leaders in animal nutrition work.

One Kombinat feeds 17,000 bulls annually from weights of around 310 pounds to 925-1,000 pounds, using a pelleted complete feed. Daily weight gain was reported to average about 2.9 pounds. Bulls fed are Holstein-Red Danish crosses and Simmenthals. Feeding time is approximately 250 days.

These large farms enjoy relative freedom to make feeding decisions based on efficiency of operation, thus offering some potential for U.S. promotion of grains and soybean meal. Initially, opportunities would be largely in feeding demonstrations in cooperation with various university and animal institute personnel—efforts which should be enhanced by the Kombinats' direct working relationships with leading animal nutritionists.

SOME WORK COULD be done using corn/soybean-based rations to demonstrate that this combination will not produce soft pork—a belief that was rejected long ago in the United States but is still common in Yugoslavia.

Currently, corn is the basis for most ration formulation in Yugoslavia since this is the major feedgrain produced at home. But because of the increased emphasis on livestock production, plus corn production problems, Yugoslavia has moved in recent years from a net exporter of corn to a net importer, with most of such purchases coming from the United States.

This season, for instance, Yugoslavia has seen its corn production fall below anticipated levels. At one time, the country was expecting a bumper harvest, as well as very favorable pasture conditions—factors which, it was hoped, would reduce the high slaughter of livestock evident in the feed-short year of 1971.

However, continued rains and cold weather during September and October resulted in a 10-percent drop in the corn estimate to 7 million tons. This is close to the low 6.9-million ton level of 1970-71 and nearly 500,000 tons below that of 1971-72.

To supplement production, Yugoslavia this summer purchased about 355,000 metric tons of U.S. corn. A part of this—185,000 tons—arrived during July-September, bringing total Yugoslav corn imports during the 1971-72 marketing year to 320,000 tons. The balance of the purchase—170,000 tons—was imported during October and November as part of the 400,000-ton import requirement estimated for 1972-73. Now, with production below expectations, imports will probably rise even higher.

As far as high-protein feeds are concerned, Yugoslavia has consistently been the leading East European purchaser of meal, although imports dropped sharply in the 1971-72 marketing year as a result of unusually high prices. These purchases totaled 116,000 short tons, compared with 187,000 and 173,840 in the previous 2 years.

Poland. Eastern Europe's largest importer of U.S. soybeans and soybean meal, combined, and one of the top purchasers of corn, Poland is currently in the midst of a feed shortage that will worsen in coming years. This shortage can be traced to expansion in the livestock industry, as well as to increased feeding rates as modernization of the industry continues.

Poland's livestock expansion is geared largely for the export market, with beef to be the big gainer. Targets for 1975 call for a near tripling of beef shipments to 130,000 metric tons. However, gains are planned for all types of livestock and meat exports, with the possible exception of mutton, and include further large increases in pork, of which Poland is already the world's seventh largest exporter.

Poultry production is still a smallholder industry, concentrated mainly in the private sector. But it too will benefit from changed Government policies, including the easing of restrictions on flock size to allow up to 30,000 birds on a single farm, compared with 5,000 in the past. This industry has been an important consumer of imported corn and soybean meal, and any expansion would be reflected in imports of those products.

In support of its livestock development efforts, Poland has the benefit of extensive feed-formulation research, undertaken over the years with excess currency generated under P.L. 480. Livestock producers are aware of this research, and many are aware of the general approach to feeding in the United States, but actual application has been limited.

One reason for Poland's lag in making practical use of this research has been the stress on feeding of domestic crops, largely potatoes. This emphasis comes not only because of a foreign-exchange scarcity, but also from the fact that much of the 30 million tons or so of potatoes fed to hogs and cattle comes from farms where little else can be produced.

Now, however, the combination of lagging crop production and expanding livestock output has made import growth imperative.

In 1972-73, for instance, Poland will have to sharply expand imports of U.S. soybeans and meals—after 2 successive years of lower imports—as a result of a greatly reduced 1972 domestic rapeseed crop, limited availabilities of Indian peanut meal and Peruvian fishmeal, and growing demand. Forecasts are that U.S. soybean shipments to Poland could double their 1971-72 level to 150,000 metric tons, and meal shipments could spurt from the 75,000-100,000 tons recorded in recent years to 250,000.

For the short term, U.S. corn has also registered sharp gains, with sales to Poland more than doubling between fiscal 1971 and 1972 alone to 312,764 metric tons. Shortfalls in domestic crops of oats and mixed grain accounted for part of this growth. But the expanding livestock industry was also a factor and can be expected to continue bolstering such trade in coming years.

Over the longer term, past trends indicate that consumption of high-protein meal should exceed 1.1 million tons equivalent by 1975—an increase of nearly 300,000 tons from 1971. And if livestock goals are met, consumption could rise by 500,000 tons.

THIS GROWTH should allow for increases of 60,000-100,000 tons a year in imports of oilseeds and meal, with soybeans and soybean meal probably gaining a larger share of the import market than the 30 percent currently held.

Other factors pointing toward larger U.S. sales of high-protein feed include higher meat prices since 1970, with a resulting boost to livestock output, and scarcity of fishmeal and other alternatives to imported soybeans and soybean meal.

To meet its expanding protein-feed needs, Poland is enlarging the extraction capacity of existing oilseed processing facilities. This expansion will permit Poland to process up to 300,000 more tons a year of soybeans (or other oilseeds) and to produce over 20,000 additional tons of meal.

EC Enlargement May Require Shift in Policy On Mediterranean Preferences

By PAUL DRAZEK
Trade Policy Division
Foreign Agricultural Service

The imminent prospect of a three-member addition to the European Community obliged both old and new Member States to discuss this fall a possible "global" or overall approach to the EC's preferential relationships with the nations of the Mediterranean. During November's meetings of the EC Commission and Council, a shift was observed in EC thinking on Mediterranean preferences.

For agricultural products, the Commission no longer talks of granting preferential access to the EC market on 80 percent of the exports from Mediterranean countries; it is now considering covering the major agricultural exports of individual countries, with concessions varying from one country to another depending on the relative importance of the product to each country. No concessions will be given on products subject to a variable import levy, except in cases such as rice, where preferences already exist.

For industrial products, the Commission continues to recommend the principle of a free trade area by 1977, with deadlines running to the mid-1980's for certain products.

The concept of a global policy for the Mediterranean area originally came about because the Accession Treaty requires the three new members to implement as of January 1, 1973, the provisions of the Community's agreements with the various Mediterranean countries. Yet, for a large number of products, the most-favored-nation treatment previously afforded to these countries by the new members (most importantly, by the United Kingdom) was more favorable than the preferential treatment given by the EC. Therefore, the Community had intended to work out changes in its Mediterranean agreements enabling the new members to move to the higher EC rates over a period of time.

However, agreement on these transitional measures has been delayed because of reservations on the part of Mediterranean countries that stand to lose part of their markets in the new Member States. The Mediterranean countries held out for additional "economic" adjustments above and beyond technical modifications, and this was what forced the EC to discuss a possible global approach to preferences for these countries.

Discussions within the EC—in the

EGYPT, 1970	*1,000 dol.*
Total exports	761,400
Total agricultural exports	512,700
Main agricultural exports:	
Cotton	340,100
Rice	78,570
Onions	18,439
Oranges, tangerines, etc.	15,799
Potatoes	8,535
Peanuts	5,281
Bran, pollard, sharps, etc.	3,565
Flax	2,806
Dried beans, peas, etc.[2]	1,944
Sugar	871
Wine of fresh grapes	828
Sheep, lambs, goats, live	798
Total	477,536

[1] Egypt is a net importer.

LEBANON 1969	*1,000 dol.*
Total exports	170,500
Total agricultural exports	66,300
Main agricultural exports:	
Eggs	7,243
Oranges, tangerines, etc.	6,742
Apples	6,550
Tobacco, unmanufactured	4,370
Lemons and limes	4,206
Wool	4,170
Hides and skins[1]	3,800
Dried beans, peas, etc.[1]	2,595
Potatoes	2,119
Bovine cattle	[2] 1,120
Bananas	[2] 850
Peanuts	817
Bran, pollard, sharps, etc.	803
Grapes	639
Tomatoes, fresh[1]	408
Onions	[2] 406
Total	46,838

[1] Lebanon is a net importer. [2] FAO estimate. [3] Figure is for 1968.

JORDAN, 1969	*1,000 dol.*
Total exports	26,100
Total agricultural exports	[1] 17,040
Main agricultural exports:	
Tomatoes, fresh	5,575
Dried beans, peas, etc.	1,655
Oranges, tangerines, etc.	1,396
Olive oil	957
Bananas, fresh	801
Lemons and limes	614
Wheat, wheat flour [2]	420
Total	11,418

[1] Manufactured tobacco is excluded. [2] Jordan is a net importer.

ALGERIA, 1969	*1,000 dol.*
Total exports	[1] 873,900
Total agricultural exports	[1] 198,300
Main agricultural exports:	
Wine of fresh grapes	133,859
Oranges, tangerines, etc.	24,084
Potatoes	4,660
Bran, pollard, sharps, etc.	3,124
Dates	2,379
Olive oil	2,350
Fresh tomatoes	2,134
Tobacco, unmfd.	710
Total	173,300

[1] From *Les Echanges Commerciaux Extérieurs de l'Algérie.*

SPAIN, 1970	*1,000 dol.*
Total exports	2,387,000
Total agricultural exports	[1] 859,730
Main agricultural exports:	
Oranges, tangerines, etc.	171,175
Olive oil	117,489
Wine of fresh grapes	68,634
Fresh tomatoes	31,274
Soybean oil	21,281
Grapes	20,599
Wheat, wheat flour	18,970
Lemons and limes	10,642
Potatoes	8,580
Onions	8,386
Rice	7,720
Pepper and pimento	4,338
Bananas, fresh	3,609
Lard, etc., poultry fat	2,929
Oats	2,520
Raisins	2,426
Dried beans, peas, etc.[2]	2,411
Wool [2]	2,060
Eggs	1,219
Natural honey	1,191
Pork [2]	1,135
Sheep and goat meat	1,080
Fish oil	951
Pears	921
Barley	760
Sheep, lambs, goats, live	742
Poultry meat	727
Beer, ale, stout, porter [2]	627
Total	514,396

[1] Manufactured tobacco is excluded. [2] Spain is a net importer.

CYPRUS, 1970	*1,000 dol.*
Total exports	106,700
Total agricultural exports	56,200
Main agricultural exports:	
Potatoes	15,642
Oranges, tangerines, etc.	9,029
Wine of fresh grapes	4,746
Citrus fruit, n.e.s.	4,303
Lemons and limes	3,913
Grapes	2,922
Tobacco, unmfd.	1,240
Raisins	1,016
Total	42,811

TUNISIA, 1970	*1,000 dol.*
Total exports	182,500
Total agricultural exports	[1] 55,200
Main agricultural exports:	
Olive oil	16,510
Wine of fresh grapes	9,084
Oranges, tangerines, etc.	3,715
Bran, pollard, sharps, etc.	3,305
Dates	2,665
Sheep, lambs, goats, live	2,083
Wheat, wheat flour	1,100
Pepper and pimento	948
Dried beans, peas, etc.	639
Sheep and goat meat	568
Total	40,617

[1] Manufactured tobacco and fish products are excluded.

YUGOSLAVIA, 1970	*1,000 dol.*
Total exports	1,679,100
Total agricultural exports	[1] 351,930
Main agricultural exports:	
Beef and veal	58,644
Canned meats, preps.	34,904
Tobacco unmfd.	30,830
Corn	20,050
Pork	19,500
Bovine cattle	17,180
Sunflowerseed	15,634
Wine of fresh grapes	9,600
Beer, ale, stout, porter	7,079
Hops	6,917
Potatoes	4,037
Sheep and goat meat	3,965
Sheep, lambs, goats, live	1,950
Hemp	1,312
Sunflowerseed oil	1,145
Poultry meat	943
Milk and cream [2]	929
Rapeseed, mustardseed	904
Grapes	859
Bran, pollard, sharps, etc.	762
Natural honey	701
Dried beans, peas, etc.	608
Sugar	554
Pepper and pimento	543
Silk	529
Total	240,079

[1] Manufactured tobacco is excluded. [2] Yugoslavia is a net importer.

Council on November 6 and 7 and in the Commission on November 22—failed to achieve anything more than general guidelines on participation, on agricultural products, on industrial goods, and to a certain degree on reciprocity and "reverse preference." Later precise proposals will be based on these guidelines.

The EC has agreed in principle that each agreement with a Mediterranean country should contain an economic cooperation section as well as a trade section. The type of cooperation would vary from country to country depending on their different needs. The Community still hopes to negotiate the new preference arrangements during 1973 so that they can enter into force at the beginning of 1974.

Participation. The guideline here is that the EC's Mediterranean policy will extend to all coastal countries requesting it, plus Jordan. Eligible countries fall into four main groups, according to their current preferential status with the EC:

- Countries with association agreements already covering the main provisions of the global solution and therefore not needing renegotiation: Greece and Turkey.
- Countries with preferential arrangements which will have to be modified: Spain, Israel, Morocco, Tunisia, and Malta. (In addition, Yugoslavia's nonpreferential agreement will be extended.)
- Countries without agreements or with agreements now under negotiation: Egypt, Cyprus, Lebanon, Algeria, and Jordan.
- Countries which, although eligible, have not as yet indicated an interest in participating: Albania, Libya, and Syria.

Agricultural products. Four main elements have been generally agreed upon within the EC concerning the agricultural sector of its Mediterranean policy:

- "Substantial" concessions to the Mediterranean countries on agricultural products (but they are no longer talking of the 80-percent share).
- Provisions for periodic review of the agricultural concessions, for the purpose of improving them.
- Safeguards.
- An overall balance in the extent to which agricultural concessions will benefit the Mediterranean countries, although not necessarily uniform coverage; the situation in each country should be taken into account.

The accompanying tables (based on the most recent issue of the FAO Trade Yearbook—1971) indicate major agricultural exports of each country that will be negotiating new agreements ununder the EC's Mediterranean policy.

Industrial goods. The Mediterranean policy, as now envisaged, will provide for the gradual elimination by the EC of duties on most industrial products by mid-1977. The proposed schedule calls for reductions of 40 percent by Janu-

(Continued on page 16)

MOROCCO, 1969	*1,000 dol.*
Total exports	485,200
Total agricultural exports	[1] 272,000
Main agricultural exports:	
Oranges, tangerines, etc.	[2] 39,781
Fresh tomatoes	28,775
Dried beans, peas, etc.	[2] 26,750
Wine of fresh grapes	9,129
Potatoes	[2] 7,956
Cotton	[2] 5,590
Barley	4,400
Fishmeal	4,106
Olive oil	[2] 3,157
Corn	1,900
Fish oil	962
Pepper and pimento	861
Horse meat, etc.	513
Rice	[2] 510
Linseed	482
Bran, pollard, sharps, etc.	459
Total	135,331

[1] Manufactured tobacco is excluded. [2] Figure is for 1970.

ISRAEL, 1970	*1,000 dol.*
Total exports	775,600
Total agricultural exports	191,200
Main agricultural exports:	
Oranges, tangerines, etc.	56,894
Preserved fruit	[1] 36,776
Grapefruit	22,300
Cotton	12,510
Vegetables, fresh	[1] 8,790
Feedstuffs for animals	[1] 5,829
Lemons and limes	3,485
Soybean oil [2]	3,032
Peanuts	2,743
Eggs	2,451
Bananas, fresh	1,624
Cottonseed	1,380
Cottonseed oil	1,365
Onions	1,263
Wine of fresh grapes	1,256
Total	161,698

[1] Israel: *Foreign Trade Statistics, 1971.* [2] Israel is a net importer.

Japan Now Top Market for U.S. Grapefruit And Lemons

JAPAN'S IMPORTS of fresh lemons and grapefruit from the United States are soaring, largely as a result of the removal of import quotas on these products. However, U.S. sales of such items as fresh oranges, orange juice, and grapefruit juice are still restricted by Japanese import quotas.

Since their liberalization in June 1971, grapefruit imports have risen beyond all expectation—from 2,265 metric tons in 1970 to 80,569 tons in the first 10 months of 1972. Now the United States, best export market for grapefruit, Japan received 45 percent of all U.S. grapefruit exports in fiscal 1972.

Heavy grapefruit imports during June and July 1972, however, resulted in an oversupply on the Japanese market, causing prices to drop sharply. Imports of 19,759 tons of U.S. grapefruit in June and 15,803 tons in July forced prices to a low of 32 cents for three grapefruit, compared to about $1 each before liberalization.

At a recent meeting between officials of Japan's Ministry of Agriculture and Forestry (MAF) and importers, MAF strongly requested that Japanese trading firms make more orderly purchases in the future, basing import quantity on demand.

Grapefruit imports from the United States are projected to total 120,000 tons in 1972, whereas imports for all of 1971 were only 11,305 tons. Grapefruit imports from other countries rose from 467 tons in 1971 to 1,763 tons for the first two-thirds of 1972.

Japan lifted a plant quarantine ban on Israeli citrus in June 1972. The first shipment of Israeli citrus, probably grapefruit and oranges, was expected in December. Fruit imports will be fumigated and inspected by Japanese officials

Removal of import quotas on grapefruit has resulted in soaring U.S. sales.

Tokyo supermarkets (above and right) feature U.S. grapefruit. Japan has become the top U.S. market for grapefruit and lemons.

before leaving Israel. About 600,000 boxes of grapefruit and 150,000 boxes of oranges are slated for shipment during the 1972-73 season.

Japanese citrus producers, especially growers of summer oranges (grapefruit-sized, bitter oranges), opposed the removal of the import quota system on grapefruit, assuming that grapefruit and summer oranges would compete on the Japanese market. However, grower prices for the 1972 crop of summer oranges were higher than in 1971, in spite of simultaneous marketing.

Lemon imports—almost exclusively from the United States—continued the upward trend of recent years and are forecast at a record 70,000 tons in 1972, up 12 percent from the 62,283 tons imported in 1971. Half of all U.S. lemons exported went to Japan in fiscal 1972. Lemon quotas were eliminated in 1964.

Japan's imports of fresh oranges from the United States—the largest supplier—amounted to 9,509 tons in the January-August period of 1972. Quotas issued for the first half of Japan's fiscal year (April-September 1972) totaled 9,000 tons, or three-quarters of the expected total fiscal year's quota of 12,000 tons. The quota in 1971 was 7,800 tons.

A special import allocation for 3,500 tons of fresh oranges was issued for the Ryukyu Islands (Okinawa). Reportedly, Japan is planning to issue an additional 1,600-ton quota for Okinawa, bringing the total quota to 4,600 tons. Because Okinawans were used to more and lower priced oranges before the island reverted to Japan, special quotas will be issued for the next several years.

The United States is continuing to supply virtually all orange and grapefruit juice imported by Japan. The Japanese industry feels that blending 20 percent of U.S. orange juice with 80 percent of domestic juice improves taste significantly. A special 500-ton import quota for concentrated orange juice was allotted in June 1972 to four Japanese organizations of juice manufacturers to blend imported orange juice with domestic mandarin juice.

A 300-ton quota for orange juice was issued in Japan's fiscal 1970, but no quota was allotted in 1971. The miscellaneous fruit juice quota, under which most grapefruit juice is imported, was increased from 1,000 tons in 1971 to 1,500 tons (single strength) in 1972.

Quota and tariff restrictions on fresh oranges and citrus juices are aimed at protecting the domestic production of mandarin oranges. The seasonal duty on grapefruit imports—raising the original 20-percent tariff to 40 percent from December through May—also protects mandarin growers.

Citrus promotions aid sales of grapefruit, relatively new to Japan.

Japan leads the world in the production and export of mandarin oranges. In 1972, it was expected to consume about 85 percent of the fresh mandarin crop domestically, while exporting 0.7 percent, and processing the remainder.

During 1971, the United States was again Japan's leading market for **canned mandarin oranges,** taking 31,192 tons or 39 percent of total exports of 80,224 tons. West Germany received 25 percent of the exports and the United Kingdom 22 percent.

Total exports of canned mandarin oranges in 1972 are expected to decline to 63,000 tons, reflecting reduced production of canned oranges in 1971-72 and revaluation of the Japanese yen.

Output of canned mandarin oranges, the largest canned fruit item manufactured in Japan, totaled about 7.9 million cases (48 cans of 11 ounces each) during November 1971-February 1972, a sharp decline from the previous season's 11.3-million cases. Last year, 4 million cases were slated for the domestic market and 3.9 million for export.

According to the canning industry, the reduction was due to large carryover stocks, smaller mandarin crops in 1971, and reduced export demand. This season, the industry expects that canned mandarin production will increase substantially, probably totaling about 11.5 million cases—7 million cases for domestic use and 4.5 million for export.

Exports of **fresh mandarin oranges** during the 1971-72 marketing season totaled 25,851 tons, up about 1,000 tons from the previous season. Shipments of fresh mandarin oranges to Canada totaled 12,580 tons (49 percent), those to the Ryukyus, 8,707 tons (34 percent), and those to the United States, 366 tons (1.4 percent).

Exports to the United States and Canada are made through the Japan Fruit Growers' Cooperative Association, which has set the 1972-73 export target for fresh mandarin oranges at 16,400 tons to Canada and 655 tons to the United States. The new export target to the United States includes 60,000 cases to Alaska and 100,000 cases to Oregon, Washington, Montana, Idaho, and Hawaii.

In the 1972 season, domestic production of mandarin oranges—Japan's largest fruit crop—is forecast at a record 3.06 million tons, up 23 percent from 1971.

Upward trends in mandarin production are expected to continue. Output in 1982 is estimated by MAF at 4.3 million tons, but rapidly expanding acreage may cause the goal to be realized well before that date.

Of the total estimated crop of mandarin oranges in 1972-73, 2.62 million tons (86 percent) are expected to be marketed for fresh consumption—2.6 million tons for domestic use, and 20,000 tons for export. Of the remainder, some 240,000 tons are slated for canning, 180,000 tons for juice, and 18,000 tons for frozen products.

Prices paid to growers for the 1971-72 crop of mandarin oranges averaged 13 cents per pound. In view of the greater volume of mandarins forecast for marketing, prices for the 1972-73 crop will be somewhat lower.

Affected by unfavorable growing conditions, 1972 production of summer oranges dropped to 278,800 tons from the 337,000 tons harvested a year ago.

Domestic production of navel oranges is relatively small, and the 1972 crop is estimated to be about the same as the 8,500 tons harvested in 1971.

—Based on a report by
WILFERD L. PHILLIPSEN
Assistant U.S. Agricultural Attaché
Tokyo

Additional U.S. Imports of Nonfat Dry Milk Authorized by President

Secretary of Agriculture Earl L. Butz has called attention to a temporary increase in the U.S. import quota for nonfat dry milk.

The increase was made effective by a Presidential Proclamation issued by President Nixon December 30 under the authority of Section 22(b) of the Agricultural Adjustment Act, as amended. The Proclamation authorized the importation of 25 million pounds of nonfat dry milk for a temporary period ending February 15, 1973.

Normally, domestic production of nonfat dry milk exceeds commercial demand and the surplus is purchased by the Commodity Credit Corporation (CCC) which, under the Department's support program for milk, stands ready to purchase nonfat dry milk at a fixed price related to the support price for manufacturing milk.

Currently, the milk support price is $4.93 per hundredweight, and the CCC purchase price for nonfat dry milk is 31.7 cents per pound.

Secretary Butz noted that despite a continuing rise in fresh milk production this year, the output of nonfat dry milk has been lower. Increased amounts of fresh milk have gone into fluid use and into the production of certain processed products, especially cheese and frozen dairy products; consequently, smaller amounts of manufacturing milk have reached the plants which produce butter and nonfat dry milk.

The present tight supply situation also reflects seasonal variations, since November and December are the low months of dairy production.

Until late November, CCC continued to purchase nonfat dry milk and until October, to sell substantial quantities back to the trade. On October 20, nonfat dry milk was removed from the monthly CCC sales list. In a related action, the Department stopped foreign sales and donations of nonfat dry milk in October. CCC now has no uncommitted inventory.

The current shortage of nonfat dry milk is in some respects comparable to the situation which existed in Europe last year when demand temporarily exceeded supply. In that situation, the United States (normally not a butter exporter) sold 133.7 million pounds of butter, mainly to the United Kingdom but also to 18 other countries. On December 5, 1972, the United States sold 1,138,743 pounds to Canada.

Users of nonfat dry milk, such as food processors, ice cream manufacturers, candy makers, and pharmaceutical firms, have reported increasing difficulties in obtaining adequate supplies of dry milk. Continued shortages could lead users to shift to substitutes, and experience has shown that such shifts in ingredient formulas tend to be permanent.

"We want to keep people in the habit of using milk products," Secretary Butz said.

Losses of important outlets for nonfat dry milk to substitutes would also have a permanent adverse impact on the dairy support program.

The increase in permitted imports is intended to meet the temporary shortage and has been timed so as to permit the inflow of supplies when they are most needed. Within a relatively few weeks, the cyclical upturn in dairy production should cover all requirements.

The temporary increase of 25 million pounds in the import quota will be on a first-come, first-served basis; no licenses will be required. The maximum amount which an individual importer may bring in, however, is limited to 2,500,000 pounds. Imports will not be restricted to specific countries of origin.

The importation of most dairy products is limited by import quotas established by Presidential Proclamation under the Section 22 authority. Section 22 provides for limitations on imports, following an investigation by the Tariff Commission and a Presidential determination, of items found to be interfering or likely to interfere with the price support program for milk.

Imports of nonfat dry milk have been under quota control since 1953, when an annual quota of 1,807,000 pounds was proclaimed by President Eisenhower.

The emergency Section 22 action will, as provided by law, be subject to an investigation and report to the President by the U.S. Tariff Commission. The investigation will include a public hearing at which interested parties may testify. An announcement by the Tariff Commission is expected in the near future.

The regular annual import quota of 1,807,000 pounds remains in force and is not affected by the emergency Section 22 action. Imports under that quota will continue to be subject to licensing.

1973 U.S. Meat Imports Estimated

Calendar 1973 imports into the United States of meat subject to the Meat Import Law are estimated at 1,450 million pounds, according to an announcement by Secretary of Agriculture Earl L. Butz on December 29, 1972. This amount is roughly 10 percent above estimated imports in 1972.

Under Public Law 88-482, enacted in August 1964, the President is required to invoke a quota on imports of certain meats—primarily beef and mutton—if yearly imports of these meats are estimated to equal or exceed 110 percent of an adjusted base quota. The adjusted base quota for 1973 is 1,046.8 million pounds. The amount of estimated imports which would trigger imposition of the meat import quota is 1,151.4 million pounds.

The President will issue a proclamation limiting imports of meat subject to P.L. 88-482. At the same time, he will suspend that limitation for calendar 1973, as announced by Secretary of the

(Continued on page 16)

Bombay's Growth in Broiler Output, Consumption Paces Rest of India

By WALTER A. STERN
Former U.S. Agricultural Officer
Bombay

India's broiler industry has developed only during the past few years and at a slow pace because of a general lack of demand for poultry meat. The major city where there has been a rapid growth in consumption of broilers is Bombay in the State of Maharashtra.

Six months ago that city's monthly sale of broilers was some 5,000 birds. This has now shot up to about 70,000 birds per month and demand is expected to grow to about 200,000 birds per month by the end of 1973.

Contributing to the sudden upsurge in broiler production and consumption in and around Bombay is a modern 1,000-bird-per-hour dressing plant in Poona, a city about 90 miles to the south and east of Bombay. An additional factor has been the naming of the Maharashtra Agricultural Development and Fertilizer Promotion Corporation Ltd. (MAFCO) as a marketing agency, mainly for broilers and eggs.

MAFCO's major effort to boost broiler consumption was an advertising campaign started in Bombay and Poona about a year ago and an increase in the size of its chain of stores. Thirty shops were opened in the two cities over the 12-month period. The number of MAFCO outlets has since grown to almost 100 and was expected to double by the end of 1972. This jump will affect MAFCO's poultry sales and it expects to sell about 110,000 birds annually in the near future.

Although the Poona dressing operation is considered to be the biggest and most modern plant in the country, it has been handicapped since it opened by a lack of sufficient broilers to keep it going at full capacity. The plant's output has increased some tenfold since it opened 4 years ago.

In 1968-69, 52,000 birds were dressed there, increasing to over 500,000 birds in 1971-72. At the present time, however, the plant is operating at about 20 percent of capacity.

There are a number of reasons for the broiler shortage in Maharashtra. A large hatchery moved from Poona to Delhi some 8 months ago. Other hatcheries have been plagued by diseases common in Maharashtra State, while another has committed itself to export a large part of its production of broiler chicks.

In addition to the Poona operation, several other dressing plants are spotted throughout the country. A medium-sized one at Chandigarh (Punjab State) processes about 500 birds per hour. Elsewhere about 15 smaller ones are capable of handling only about 200 birds per hour each.

Most of the small plants are now processing surplus cockerels and culled hens, providing a source of income from this byproduct stock. But these add little to the growth of India's commercial poultry sector.

A number of major U.S. breeders are also represented in India. These firms have formed Indian-American organizations and are raising high-quality breeding stock.

Before the establishment of India's commercial poultry industry in the early 1960's all egg and poultry meat production in Maharashtra, as elsewhere in India, was supplied by small farm flocks of desi (indigenous scavenger) birds.

There are no recent official data on either the number of poultry in India or egg and poultry meat production, but in 1961-65 the number of birds of improved strains doubled.

Poultry breeder stock from the United States has played an important role in the development of commercial operations in India. Although the number of U.S. chicks imported each year between 1965 and 1971 has been relatively small (except for 127,800 head in 1966), their descendants have infused new vigor into Indian flocks.

U.S. exports of baby chicks to India, and their dollar value, were:

Year	Number	Value
1965	9,700	4,900
1966	127,800	57,600
1967	13,100	6,800
1968	27,700	31,500
1969	31,700	41,500
1970	45,000	47,000
1971	26,000	37,000

White Leghorns and Rhode Island Reds are the principal kinds which have been bred from foreign stock, acclimatized, and successfully used for crossing and improving indigenous stock.

Egg production on most Indian commercial farms amounts to about 200 eggs per bird annually. This contrasts with less than 100 eggs, the annual average per indigenous bird.

A recent study by the Indian National Planning Commission and other Indian Government agencies estimates that production of eggs has increased from less than 3 billion in 1961 to over 6 billion in 1971. It also states that output will increase to 8 billion eggs annually by 1973.

Even with this production jump, there will still be a substantial deficiency of eggs in the Indian market. MAFCO has undertaken a drive to boost its sale of eggs in Maharashtra State, a move which may further complicate the demand-supply situation.

There are no adequate refrigerated storage facilities for eggs in Bombay at the present time, but MAFCO expects to complete the construction of one there early in 1973 and another large unit in New Bombay later.

At present, most eggs in Bombay are marketed through small wholesalers shortly after they are laid. Daily prices are determined by the number available from surrounding farms. During the monsoon heavy rains often prevent sufficient supplies from reaching the city. Prices may then increase by more than 20 cents per dozen in a period of a week. Availability of stored supplies of eggs for sale during such times of shortage may enable MAFCO to stabilize egg prices in the future.

Although average per capita egg consumption in India has almost doubled from 6 in 1950 to 11 in 1971, it is still infinitesimal compared with the 318 in

the United States in 1972. The Indian Government has stressed egg and poultry meat production in its several 5-year plans, and Indian egg consumption will probably continue to grow.

Growth of India's commercial poultry and egg sectors is reflected by the upsurge in poultry feed output by members of the Compound Livestock Feed Manufacturers' Association, the country's largest organization of feed formulators. The association's outturn of poultry feed between 1964 and 1971, in thousands of tons, was:

1964	14
1965	28
1966	39
1967	43
1968	47
1969	58
1970	84
1971	115

In addition, there are several Government plants and a number of small manufacturers whose output is not included here in these figures.

Maharashtran poultry feed mills import a considerable volume of their ingredients from out-of-State sources and, consequently, feed costs in Maharashtra are higher than in surrounding areas. Poultry rations run between $92 and $105 per ton, while feed costs elsewhere are about $13 to $20 per ton cheaper.

Prospects of a possible reduction in the cost of feed are dim because supplies of main feed ingredients—rice bran and peanut meal—are apt to become more expensive in the future. Competition from other industries for rice bran and growing exports of peanut meal to earn badly needed foreign exchange will put stumbling blocks in the way of future feed production increases. Drought conditions have further aggravated the short supply of raw materials, especially corn which is also used for human consumption.

Although international prices for major feed ingredients are as much as 50 percent cheaper than Indian prices, up to the present time all feed ingredients have come from indigenous sources.

Because of India's drive toward self-sufficiency, there is little opportunity for future exports to India of U.S. poultry products. The country is deficient in eggs—and will be for some time—but transportation costs from the United States would probably preclude sales of U.S. shell eggs, although there may be an opportunity to sell small quantities of powdered eggs. However, the Indian Government would have to release the required foreign exchange before this could be done.

India will not issue licenses for imports of poultry meat because of the Government's desire to build up its domestic poultry industry. But it may be possible for Indian importers to buy U.S. turkeys and turkey rolls for the hotel trade. These products had already been imported from other countries, and the Government recently started to grant licenses again.

MAFCO expected to have 200 outlets like the one above by the end of 1972. Below, a MAFCO refrigerated truck for movement of poultry, and a mobile store, where poultry and eggs are sold.

A billboard at one of Bombay's main intersections promotes the sale of eggs.

CROPS AND MARKETS

COTTON

U.S. Textile Imports Continue To Rise

In the first 10 months of 1972, U.S. imports of manmade fiber textiles from all countries increased only 3 percent over the same period in 1971. However, cotton textile imports increased more than 24 percent. Based on the level of the first 10 months, the total for the year is projected at 1.8 billion square yards of cotton textiles, equivalent to an estimated alltime high of 1.3 million bales of cotton. The textile trade deficit of almost $1.7 billion was 16 percent in excess of that of last year.

Reflecting the influence of quotas on manmade fiber and wool textiles, aggregate imports from the four major Far East suppliers of all types of textiles were down from the January-October 1971 level. However, cotton textile imports from these countries were 17 percent greater, despite the quotas.

TOBACCO

Italy's Tobacco Crop Up Slightly

Despite a 6-percent boost in area, Italy's total 1972 tobacco output increased less than 1 percent in 12 months, from 75,500 metric tons in 1971 to 76,000 tons a year later. Humid weather during the growing season and a high incidence of mold resulted in a drop in average yields.

A larger area was devoted to production of burley, considered by the Italian trade to be the backbone of the industry, than to any other tobacco, but reduced yields caused a 3-percent drop in production. In 1972, burley output totaled 34,000 tons from almost 28,000 acres, compared with 34,964 tons from nearly 26,000 acres the year previous.

Second in terms of volume was Kentucky tobacco, which showed a 1972 expansion in both acreage (up 13 percent) and production (up 17 percent). The 1972 Kentucky tobacco crop was 9,250 tons compared with 7,928 one year earlier; area was increased from 12,325 acres to almost 14,000.

Because of prevailing high prices, Kentucky tobacco output will probably reach 10,000 tons in the next several years. Growers have also been spurred by reports from the United States of declining acreage for this tobacco, reports that competing tobacco from Malawi is of low quality, and a strong demand from the Netherlands. In addition, the Italian Tobacco Monopoly is known to favor increased domestic output of this tobacco variety.

Acreage and production of Maryland tobacco have also been greatly expanded following an increase in the support price granted by the European Community. Although Maryland volume is still small—360 tons in 1972—this output is more than double the 142 tons grown in 1971, and there is a potential for still further growth.

Acreage in flue-cured (Bright) expanded by 6 percent but lower yields produced an estimated 3 percent smaller crop. Problems in sharecropping and rental contracts have held the production level of this type well below that recorded in the late sixties.

As a consequence of higher EC prices for the 1972 crop, preliminary market quotations are all on the high side. Prospects for exports are somewhat dimmer because of the high prices and lower quality.

Area Boost Jumps Thai Tobacco Output

A 29,000-acre area increase in 1971-72 enabled Thai farmers to raise a total tobacco crop of 49,000 metric tons, some 5,000 tons larger than the 44,600 tons produced in 1970-71.

The first production estimate for flue-cured tobacco in 1971-72 is 23,700 tons, almost 10,000 tons of which were grown under Thailand Tobacco Monopoly supervision, while another 13,000 tons were raised outside Monopoly control. Thai growers will probably find a ready market for flue-cured tobacco because foreign buyers have increased purchases of this type of tobacco in recent years.

Area and production of burley showed a dramatic increase in 1971-72, compared with the previous crop. Estimated at 3,100 metric tons from an area of 10,280 acres, the 1971-72 output soared 400 percent from the previous season, while acreage climbed more than fivefold from approximately 1,900 acres.

The 1971-72 output of oriental tobacco was 278 metric tons from 685 acres, while native sun-dried tobacco increased by nearly 5 percent to 22,000 tons from an area of 92,000 acres.

The average price paid to growers for the 1971-72 crop by TTM showed little change for flue-cured at 33 cents per pound, was drastically lower for burley at 23 cents per pound, and was somewhat higher for oriental at 21 cents per pound.

FRUITS, NUTS, AND VEGETABLES

Greece's Table Olive Output

Greece's 1972 table olive production has been placed at 74,000 short tons, somewhat below the unusually large 84,500-ton output of 1971. Prices had been depressed in the face of the large carryover from the previous season. In an effort to relieve this pressure, the Greek Government has authorized the purchase of 11,000 tons of small-sized and withered table olives from 1971 stocks.

In addition, farmers delivering 1972-crop green olives to processors will receive a Government subsidy of approximately 3 cents per pound, as they did in 1971. However,

their payments can go as high as $666 per farmer, versus only $333 the previous season.

Eleourgiki, the olive growers' co-op, has been authorized to purchase 5,500 tons of processed black olives with payment varying by size. An individual farmer's allowable deliveries under this program will be based upon the number of productive table olive trees he owns.

The Greek Government has also banned the exportation of all unprocessed olives.

Philippine Canned Pineapple Production

The Philippines reports a slightly larger 1972 pack of canned pineapple and pineapple juice. Canned pineapple is estimated at 7,055,000 cases, basis 24/2½'s, 1 percent above the 1971 pack of 6,957,000 cases. Production of single strength juice is estimated at 4,259,000 gallons and concentrated juice at 3,257,000 gallons. The area planted to pineapple has remained stable and the larger pack is the result of higher yields.

Swiss Production of Cider Fruits Down

The 1972 Swiss crop of cider fruits (apples and pears) was poor in both quality and quantity. Only a minor part will be used for production of concentrates, while the main part will be processed into alcohol and single-strength cider. A shortage of concentrates is expected and as a result, Switzerland will not be able to export the sizable quantities of concentrates it has in recent years.

Swiss exports of apple and pear concentrate in January-September 1972 totaled 3,335 metric tons, compared with 9,948 tons during the same period of 1971.

French Citrus Imports Up 30,000 Tons

Total French citrus imports between July 1971 and June 1972 were 935,012 metric tons—up 30,000 tons from the 905,555 tons imported during the same period the previous season. A comparison of imports by category in 1970-71 and 1971-72 (in metric tons) follows:

	1970-71	1971-72
Oranges	582,578	612,395
Grapefruit	56,425	68,338
Lemons	96,614	96,722
Other	169,938	157,557
Total	905,555	935,012

• **Oranges.** Spain was the principal supplier; its 1971-72 sales to France totaled 297,997 tons, compared with 271,948 tons the preceding year. Morocco occupied second place, shipping 120,200 tons, a drop from 142,745 tons a year earlier. Other major suppliers in decreasing order of importance were Israel, South Africa, Algeria, and Tunisia.

The United States supplied only 1.2 percent of the 1971-72 French orange market—7,141 tons, compared with 6,499 tons in 1970-71.

The trade forecasts a 5-percent increase in total orange imports in 1972-73. Spain, Morocco, and Israel will continue to supply the bulk of French imports of oranges because of preferential tariff duties and the short distance between these countries and the French market.

• **Grapefruit.** The predominant supplier, Israel, shipped 40,154 tons (or 60 percent of total imports) compared with 37,972 tons in 1970-71. The United States climbed from third to second place as a supplier—shipping 9,396 tons (13.7 percent of the market) compared with 5,894 tons in 1970-71.

Other major suppliers were South Africa, Honduras, and Mozambique.

• **Lemons.** Imports of U.S. lemons increased by 80 percent in 1971-72, rising from 13,747 tons in 1970-71 to 24,752 tons a year later. Imports from other principal suppliers declined.

U.S. lemons will face more competition from fruit from Spain, Cyprus, and Greece in 1972-73. However, it is possible that total imports will be somewhat larger, with a chance that although the U.S. share of the French market may be smaller, actual imports may be near the 1971-72 level.

FATS, OILS, AND OILSEEDS

Peruvian Fishing Situation Uncertain

After having banned fishing in mid-1972 because of a shortage of anchovies, Peru permitted a limited number of boats at all ports to engage in a 10-day preliminary test beginning December 4. It is now reported the Peruvian Fisheries Ministry suspended fishing at two ports December 7 and four others on December 8.

Fishing from these ports, accounting for more than two-fifths of Peru's annual anchovy catch, was suspended before the end of the test period because catches included spawning fish and an above-average percentage of immature ones. Complete data on the fish catch and oil and meal production during the test period are not yet available.

Since the ban on foreign sales continued through December 31, 1972, Peruvian fishmeal exports for 1972 approximated some 1.5 million metric tons, 225,000 tons less than the 1971 level. The reduced volume is equivalent to the protein content of 17 million bushels of soybeans.

Peru's fishmeal exports by major destinations, in thousands of metric tons, between 1970 and 1972, were:

	1970	1971	1972[1]
United States	155	166	298
European Community	970	547	545
East Europe	423	524	364
Others	325	513	288
Total	1,873	1,750	1,495

[1] January-September only; exports were banned October-December.

Oilseed and Meal Imports By Major Markets Increase

During July-September 1972, imports of oilseeds and meals, including fishmeal, into seven major importing countries (Japan and six West European countries) totaled 3.68 million tons (soybean meal equivalent), or only 25,000 tons above the same 3 months in 1971. Imports of soybeans and meal alone—at 2.17 million tons—declined by 122,000 tons, while imports of fishmeal—at 470,000 tons (soybean meal

equivalent)—increased by 75,000 tons. Imports of peanut and cottonseed meals also registered increases of 65,000 tons and 34,000 tons, respectively.

During the January-September 1972 period aggregate imports of oilseeds and meals into the seven major markets at 11.9 million tons increased by 6.8 percent, or 755,000 tons above the same 9 months in 1971. Imports of soybeans and meal alone amounted to 7.1 million tons, or 139,000 tons above the 1971 period.

Imports of fishmeal—at 1.4 million tons—increased by 370,000 tons, while imports of peanuts and peanut meal increased by about 150,000 tons.

A comparison of oilseed and meal imports in January-September 1971 and 1972, in thousands of metric tons, follows:

	1971	1972
Soybean	6,935	7,074
Fishmeal	1,061	1,417
Peanut	777	935
Flaxseed	496	419
Cottonseed	540	555
Rapeseed	426	496
Sunflowerseed	314	317
Copra	249	298
Palm kernel	99	100
Other	232	273
Total	11,129	11,884
(Jan.-June)	7,479	8,229
(July-Sept.)	3,650	3,675

Argentine Cake and Meal Exports Down 47 Percent

During the January-October 1972 period Argentine exports of oilseeds, cakes, and meals dipped to 340,600 metric tons, or 47 percent below the 641,800 tons exported in the same 10 months of 1971. Cake and meal exports, in 1971 and 1972 in thousands of metric tons were:

	1971	1972
Sunflowerseed	234.6	172.6
Linseed	289.0	133.9
Peanut	51.7	15.6
Cottonseed	66.5	18.5
Total	614.8	340.6

The decline in exports for the 1972 period on a 44-percent crude protein basis was equivalent to 256,100 metric tons of soybean meal—or the protein content of nearly 12 million bushels of soybeans.

India's Castorseed Production Drops in 1972-73, Exports Soar

India's castorseed production will be somewhat smaller in 1972-73 than it was a year earlier, but 1972's castor oil exports are expected to be about 140 percent greater than the previous year's.

Currently estimated at 138,000 metric tons, castorseed output in 1972-73 had earlier been calculated at 150,000 tons, some 4 percent less than the final 1971-72 estimate of 144,000 tons. However, rains during October and November were late and deficient and the estimate was scaled downward.

Exports of castor oil got off to a slow start in the early part of 1972, but a sudden upsurge in later months has led to an estimate of 33,000 tons, compared with 13,726 tons a year earlier.

Available data indicate that castor oil exports during the first 5 months of 1972 totaled only 9,202 tons, compared with 13,042 tons during the same period in 1971, a drop of about 30 percent. During the succeeding 5 months, however, castor oil sales surged upward by some 16,000 tons to a total of about 25,000 tons for the first 10 months of the year. Exports during the last 2 months of 1972 were expected to bring the total to the 33,000-ton mark.

The Soviet Union is India's major customer for castor oil, taking nearly 8,800 tons in the first 5 months of the year just ended. In 1972—for the first time in several years—the United States, the United Kingdom, several West European countries, and Japan also bought Indian castor oil.

Prospects for exports during 1973 seem to be good at the present, but they will probably be limited by the 1972 crop.

Olive Oil Council Extends Pact 5 Years

The International Olive Oil Council (IOOC) plans to extend the current olive oil agreement 5 years after its scheduled expiration on December 31, 1973. This was among the recommendations made at the IOOC's 27th session in Madrid in November. Action to extend the pact will be taken at the negotiating sessions in Geneva under the aegis of the United Nations Conference on Trade and Development (UNCTAD) in March 1973.

Other actions at the Madrid session included announcement of a generic olive oil publicity campaign in Spain, the United States, France, and Italy in 1973.

According to the IOOC, olive oil output is expected to drop between 1971-72 and 1972-73 from 1.52 million metric tons to 1.43 million, while table olive production is expected to rise from 536,000 metric tons to 541,000.

LIVESTOCK AND MEAT PRODUCTS

South African Wool Exporters Expect Good Year in 1972-73

Because of recent recovery in the world wool market and a new Government support scheme, South Africa's wool producers look forward to a continuation in 1972-73 of high wool prices and a level of output at least equal to that of the 1971-72 season (July 1-June 30).

Wool production fell from 261.5 million pounds in 1970-71 to 247.5 million in 1971-72, but its value rose from $69.3 million to $77.6 million.

Wool exports during the same period jumped by 45 percent in volume and more than 50 percent in value. In 1971-72, exports totaled 260.6 million pounds worth $103.7 million, compared with 183.3 million pounds worth $67.7 million the previous season. The average export selling price rose by nearly 3 cents per pound between 1970-71 and 1971-72.

The high volume and value of wool exports in 1971-72 were largely attributable to a major effort by the South African Wool Board to reduce the size of its carryover from the 1970-71 clip, nearly all of which had been sold by the end of the 1971-72 season.

The new wool marketing scheme provides for purchase of the entire wool clip by the Wool Board, with a guaranteed price based on the full volume. Partial payment is made to producers on delivery of their wool to the Board, with the

balance being paid at the end of the season. Each kind of wool is sold through a separate pool (there are 43 of them) and credit left in a pool at the end of the season is paid to wool producers selling through that particular pool. Previously returns were handled in such a way that suppliers of one type of wool often subsidized producers of another type, but the new pool scheme eliminates this possibility.

GRAINS, FEEDS, PULSES, AND SEEDS

Grain Exports and Transportation Trends: Week Ending December 29

Weekly export inspections of wheat, feedgrains, and soybeans totaled 1.22 million metric tons for the week ending December 29—a 7 percent drop from the week before and 23 percent below the November weekly average.

Inland transportation dropped during the week as rail traffic was slowed by the Christmas holiday. Railcar loadings of grain totaled 26,874 cars, down 19 percent from the week before. Barge shipments, at 307,000 metric tons were the lowest weekly total in fiscal 1973, as ice blocked the Missouri and upper Mississippi River systems.

GRAIN EXPORT AND TRANSPORTATION TRENDS: WEEK ENDING DECEMBER 29

Item	Week ending Dec. 29	Previous week	Weekly average, November	Weekly average, first quarter
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Weekly inspections for export:				
Wheat	494	544	542	414
Feedgrains	520	[1] 493	612	626
Soybeans	202	272	399	133
Total	1,216	1,309	1,553	1,173
Inland transportation:				
Barge shipments of grain	307	389	590	515
	Number	*Number*	*Number*	*Number*
Railcar loadings of grain	26,874	33,021	30,060	28,566

[1] Revised.

Yugoslav Winter Wheat

Yugoslav winter wheat was sown on 4.2 million acres in this past autumn, or about 10 percent less than a year ago. The reduced area could result in increased import needs in 1973-74. Recent reports indicate that Yugoslavia's 1972-73 wheat imports may also exceed the 500,000 tons estimated earlier.

USSR Winter Grains Continue Vulnerable to Winterkill

Conditions for the USSR winter grain crops for 1973 continue to be less than ideal. Unusually warm weather continued into early January in the principal winter grain-producing areas of European USSR leaving them unusually short of protective snowcover. Unless adequate snows are received prior to sharp drops in temperature, the winter grains will be susceptible to extensive winter losses for the second consecutive year.

The severe drought in the summer of 1972 postponed the sowing of winter grains for about 3 weeks and held winter grain acreage to about 80 percent of plan. With normal winter losses in 1973, harvested winter grain area would only be slightly above the 1972 level.

Last winter almost one-third of the sown winter grain area was killed as a result of cold weather and inadequate snow cover. If damage this winter is above normal, the Soviet Union would have to resow even a larger area than in the spring of 1972. As was the case last year, feedgrains, primarily barley, would be the principal replacement crops used in the spring.

Dry Bean Production Down in 1972

Dry bean production in 1972 in 33 reporting countries is estimated at 117,600 hundredweight, down about 3 percent from 1971. Brazil, the world's largest producer, but not an exporter, and Mexico accounted for most of the decrease. Production increased significantly in a number of countries important in international trade. U.S. production is up 13 percent; Canada 9 percent, and Spain 20 percent. Data on all countries will be available in the January issue of *World Agricultural Production and Trade.*

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Jan. 10	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	3.35	+1	2.01
USSR SKS-14	[1]	[1]	1.88
Australian FAQ [2]	3.05	+9	1.66
U.S. No. 2 Dark Northern Spring:			
14 percent	3.10	−1	1.93
15 percent	3.16	+4	1.99
U.S. No. 2 Hard Winter:			
13.5 percent	3.01	−3	1.78
No. 3 Hard Amber Durum	3.03	−1	1.82
Argentine	[1]	[1]	[1]
U.S. No. 2 Soft Red Winter	[1]	[1]	1.74
Feedgrains:			
U.S. No. 3 Yellow corn	2.13	−1	1.45
Argentine Plate corn	2.36	0	1.63
U.S. No. 2 sorghum	2.37	−7	1.56
Argentine-Granifero sorghum	2.35	−9	1.59
U.S. No. 3 Feed barley	1.95	+1	1.30
Soybeans:			
U.S. No. 2 Yellow	5.17	+22	3.40
EC import levies: [3]			
Wheat [4]	[5] .83	0	1.61
Corn [6]	[5] .68	−3	1.07
Sorghum [6]	[5] .55	0	.95

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] The grain levies in the new member countries are reduced by the following amounts through July 31, 1973: Wheat—United Kingdom, $1.31; Denmark, $0.29; Ireland, $0.23. Corn—United Kingdom, $1.02; Ireland, $0.63. Sorghum—United Kingdom, $1.03; Ireland, $0.68. [4] Durum has a separate levy. [5] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [6] Italian levies are 21 cents a bu. lower than those of other EC countries.

CORRECTION: First line of caption on page 5 of January 1, 1973, issue should read, "U.S. corn (top) awaits transfer to Canadian ship."

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U.S. MEAT IMPORT ESTIMATES FOR 1973 (Continued from page 9)

Treasury George P. Shultz on December 21, 1973. (See *Foreign Agriculture* Jan. 1, 1973.) The suspension procedure is the same as that which was followed with the Presidential Proclamation of March 1971 and March 1972.

The Secretary stated that the situation will be reviewed quarterly, and if marketing conditions should change substantially—which is contrary to present expectations—the suspension of import limitations will be reconsidered.

World beef prices have remained high and competition is strong for available export supplies. Several European countries have temporarily removed or reduced their import duties on beef and veal. Also, Japanese beef import quotas have been increased sharply.

Secretary Butz reports continuing strong demand for beef in the United States. Cattle prices in 1973 are expected to average higher than 1972 levels.

MONTHLY U.S. IMPORTS OF MEATS SUBJECT TO MEAT IMPORT LAW, JANUARY 1969-OCTOBER 1972

[In millions of pounds]

Month	1969 [1]	1970 [1]	1971 [1]	1972 [1]
January	41.9	124.5	83.4	86.9
February	50.4	100.7	65.1	80.6
March	136.1	112.0	88.3	75.2
April	90.0	88.7	86.2	105.4
May	80.5	62.1	76.8	107.9
June	85.7	93.4	101.0	106.4
July	107.1	110.1	94.4	106.8
August	141.8	112.8	104.9	164.6
September	121.4	107.6	158.6	163.8
October	108.3	89.3	80.4	145.2
November	51.4	79.4	63.2	—
December	69.4	89.8	130.3	—
Total	1,084.1	1,170.4	1,132.6	—

[1] Rejections which occur after entry is made are included in the published Census figures and amounted to 13.5 million pounds for 1969, 17.4 million pounds for 1970, and 21.0 million pounds for 1971.

EC-Mediterranean

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ary 1, 1974; 60 percent by January 1, 1975; 80 percent by January 1, 1976; and 100 percent by January 1, 1977.

Reciprocity and reverse preferences. The EC appears to be divided on this issue. At the last Council meeting, France and Italy insisted that reciprocity be maintained as an element of Mediterranean policy. Other countries proposed that the application of reverse preferences be limited to either European Mediterranean countries (the U.K. proposal) or Mediterranean countries not considered "less developed" (the German proposal).

Another proposal, this one put forward by the Commission, is that the Community might seek reciprocity in ways other than by tariff concessions, possibly investment guarantees. No agreement has been reached on which, if any, of these methods will be used.